

Davenport council to get casino agreement

Written by Administrator
Saturday, 31 August 2013 16:33 -

Davenport aldermen will vote on an agreement with casino developer Dan Kehl next month that would bring the city \$2 million annually through property tax and gaming revenue.

The development agreement will be on the city council's finance committee agenda at next week's committee-of-the-whole meeting. The agreement requires construction of a land-based casino to begin by November 2014 and open within three years after the agreement is approved.

Under the agreement with Kehl's Scott County Casino LLC, the city would receive 4 percent of the adjusted net gaming revenue from the casino. An earlier agreement had the city receiving 2.165 percent of the adjusted net revenue increasing to 2.75 percent in five years.

"We are happy with the development agreement and believe it is a win/win for everybody involved," Kehl said. "It provides a significant increase in revenue for the city from the current operation and sets up a mechanism for future development funds to enhance the project and create a true destination that will bring a significant portion of gaming revenues to the community."

The agreement with the new land-based casino is expected to bring Davenport \$19 million more in city revenue over the first 10 years of its operation compared with the city's current Rhythm City agreement, according to the city.

Kehl proposes to buy the Rhythm City Casino from Isle of Capri and build a \$110 million casino along the Interstate 80 corridor. The agreement sets down requirements for a 30,000-square-foot casino, with at least 900 slot machines and 25 table games along with a 95-room hotel.

The city and Davenport Community School District each would receive more than \$900,000 each year, and Scott County would receive more than \$300,000 in annual property tax, according to the city.

Davenport council to get casino agreement

Written by Administrator

Saturday, 31 August 2013 16:33 -

The casino would have a minimum assessed value of \$55 million, and the city would receive 4 percent of the adjusted net gaming revenue from the casino, according to the agreement.

"The development agreement furthers the goal of the city to get as much as we possibly can out of any developer for the residents of the city of Davenport, so this is heading in the right direction," Mayor Bill Gluba said.

Of the 4 percent in revenue gaming to the city, 0.75 percent, or nearly one quarter of that, will be used for improvements within an as-yet undefined area around the casino. Under the agreement, the Riverboat Development Authority would match that amount.

"The idea is to build the tax base and bring more people and business to that area," Gluba said.

The casino district concept was met warily by aldermen when it was discussed in a meeting with Kehl earlier this month. Kehl suggested a committee to oversee how the money is used. The council wanted that group to be an advisory committee with aldermen having final say.

In the agreement headed to the finance committee, the advisory committee will include two casino representatives, two aldermen, a labor representative and a representative from the Quad-Cities Chamber of Commerce.

Alderman Jeff Justin, 6th Ward, who chairs the council's finance committee, likes the agreement.

"I think it is an important step in our goal of removing the riverboat from the river," he said. "It provides additional revenue to the city, school and the county, so it is positive. There is still a lot of work to do."

Alderman Gene Meeker, at large, who chairs the economic development committee, said the agreement is fair.

Davenport council to get casino agreement

Written by Administrator

Saturday, 31 August 2013 16:33 -

"I think it represents our interests," he said. "I'm excited to move on."

Justin, Meeker and Alderman Bill Boom, 3rd Ward, have been involved in casino negotiations for several years.

"I think the split between the RDA and the city is more equitable with this," Boom said. "We will be able to bring in more money than we did before, especially because it is going on land. I look forward to the discussion and think we are going in the right direction."

Kehl still must finish an agreement with the Riverboat Development Authority and the sale of the Rhythm City from the Isle of Capri as well as gain approval from the Iowa Racing and Gaming Commission. The state board doesn't meet again until October.

Discussions are continuing with the RDA, with non-financial terms, said the board's attorney, Bob Gallagher. He notes the city's agreement doesn't have a direct relationship to the RDA's agreement with Kehl. Previously, the RDA has negotiated a percentage of the adjusted gross revenues with developers, but Kehl wants a deal in terms of adjusted net revenue, like the city's agreement.

The RDA is seeking 5 percent of the adjusted gross revenue once the casino is land-based, but that amount would be different under what Kehl proposes, Gallagher said.

Kehl continues to seek a location for the land-based casino.

"We have commissioned a site selection study to help us figure out the best possible location to maximize the development potential and hope to have the results of that study soon," he said. "Once we have that in hand, we will secure our location."

Read more <http://news.google.com/news/url?sa=t&fd=R&usg=AFQjCNEb8I9ERW746ob5RIMfp-LnCnfKWQ&url=http://qctimes.com/news/local/davenport-council-to-get-casi>

Davenport council to get casino agreement

Written by Administrator

Saturday, 31 August 2013 16:33 -

no-agreement/article_4dafc4f1-80d0-5b93-b36b-2798bcb5284a.html